Informing a new business-to-business relationship: corporate identity and the emergence of a relationship identity

Article Title Page

[Article title] Informing a new business-to-business Relationship: Corporate Identity and the Emergence of a Relationship Identity

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Structured Abstract:

Purpose: Firms face the challenge of working with other firms in their business network so as to increase the value of products and services offered to end customers and consumers. This often requires managers to investing in developing strong and effective business-to-business relationships. While an extensive literature examines the different dimensions of successful business-to-business relationships, little research examines how perceived corporate identity is likely to influence market relationships. The paper explores how a buyer and supplier draw on their own identities and the identities of each other in ways that enable them to develop a basis on which to conceptualise and operationalise a strategic sourcing relationship. Specifically, the paper investigates the emergent relationship identity that results from buyer-seller interactions.

Methodology/Approach: An in-depth, longitudinal case study of a buyer-supplier relationship which involves an engineering buyer and design services supplier.

Findings: The study suggests that the corporate identity of companies involved in a relationship has a prominent role in informing and moulding the relationship. Further, the strategic scope of the analysed business relationship adds to the significance of corporate identity in informing the relationship and, ultimately, the business policy. Finally, a key contribution is the notion of 'relationship identity'. Relationship identity conveys the idea that when companies develop a continuous relationship, the relationship itself has a unique identity.

Research limitations: The research findings are based on a single case study. Additional research across multiple case studies are needed in order to verify the findings reported.

Value of paper: This paper addresses a gap in the literature concerning the areas of the role of corporate identity in business relationship development. The findings are important to research and practice with regard to how companies develop successful business-to-business relationships.

Keywords: Corporate Identity, Supply Networks, Relationship Identity

Article Type: Research Paper

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Abstract

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Introduction

Companies are part of networks of suppliers, customers and other audiences with whom relationships are established (Hakansson and Snehota, 1995). Increasingly, companies use collaborative business relationships with selected stakeholders to innovate and sustain market offerings. Relationships may take various forms such as relational contracting (MacNeil 1980), working partnerships (Anderson and Narus 1990) or strategic sourcing relationships (Parmigiani 2007). It is acknowledged that business relationships bring advantages, such as opportunities for learning, that open up new markets or product and service innovations (Christinsen 2000; Kraatz 1998). Ultimately, enduring positive relationships with key stakeholders affect performance and contribute to long term business survival. However, embarking on collaborative business relationships is a challenging process, calling for drivers to establish and cultivate those relations. Considering that perceptions of the corporation affect how stakeholders and/or societal constituents respond to the company and its offerings (Brown et al. 2006), corporate identity (CI) emerges as a potential instrument to support the relationship progress (*c.f.* Karamanos 2003).

The notion of CI conveys the idea that each organisation has its own personality (Bernstein 1984), evoking the uniqueness of a company (Balmer and Soenen 1997). CI reflects an integrated posture over time that may consubstantiate into features such as coherent behaviours and deployment of articulated instruments or artefacts (e.g., corporate brand, visual systems). Audiences' perception of the reflected corporate identity determines how they respond to the company's activities and market offerings (Simões *et al.* 2005). Market relationship dynamics have been associated with marketing practices developed at the corporate level (see for example, Bengtsson and Servais 2004). Such reasoning suggests that, within supply chain relationships, how suppliers and buyers perceive and interpret their trading partners' corporate identity impacts on the business agreement, on the relationship performance and, ultimately, on business performance (Robson et al. 2002). That is, the corporate identity of a firm is likely to impact on inter-firm relationships and determine the 'character' of the relationship.

Although previous studies established a connection between corporate associations and responses in a relationship context (Brown *et al.* 1995), no study seems to have explicitly focused on how corporate identity affects market relationship dynamics in particular, in a business-to-business setting. There is a lack of understanding of the factors influencing new business relationships. Many new business relationships, especially where the products or services being bought are new (either to the world or to the companies involved in the relationship), often need to be worked out *between* the firms so that the parties understand what is being traded, how and when. An inter-firm relationship begins before a contract is developed or signed (*c.f.* Ford 2003). Indeed, researchers examining collaborative product/process design and development have highlighted the benefits of starting long term relationships with suppliers at an early stage of the process favoring faster project development times, lower costs, increased levels of motivation of suppliers and increased supplier originated innovation (Dulmin and Mininno, 2003). Additionally, the features of a specific relationship emerge through time and are determined by aspects such as: (i) established bonds between individual actors, (ii) activity links between firms, and (iii) identification, understanding and development of resource ties between the firms (*c.f.* Håkansson and Snehota, 1995). When looking at cycles of identity, Beech and Huxham (2003) refer to the emergence of a 'collaboration identity' in an inter-organizational context. In the light of such concepts, it seems reasonable to study the emergence of a relationship identity transposing the notion of 'collaboration identity' into a business to business relationship perspective.

This paper attempts to uncover corporate identity's role in the embryonic stage of a strategic relationship between a buyer and a supplier: focusing on the initial approach to potential suppliers, through the tendering process to the point of the contract award. Based on qualitative research conducted at a Europe-based engineering company and a business partner in the services sector, our study has the following two goals: (i) to depict how corporate identity may connect to and affect business-to-business relationships; (ii) to discuss the process of an emergent 'relationship identity'. In the next section we briefly introduce the background concepts for this study. We then present our research method followed by a description of the findings. Finally, the closing section exposes the main conclusions, limitations and avenues for future research.

Theoretical Background: Market Relationships and Corporate Identity

Market Relationships and Market Resources

Marketing paradigms emphasise the construction of relationships between audiences and the company. *Relationship marketing,* suggests that firms can create value by initiating and developing long-term relationships. Traditionally, the relationship marketing literature has focused on two key areas: (1) actors (the *people* developing the relationships), and (2) activities (the practices they develop to foster relationships). As a result, concepts such as trust (Morgan and Hunt 1994), commitment (*c.f.* Anderson and Weitz 1992; Siguaw *et al.* 1998; Urban *et al.* 2000), leadership (Katz and Kahn 1953; Stogdill and Coons 1957) and power (Cartwright 1965; Gaski 1984) have formed the mainstay of research in this area.

In the industrial marketing and purchasing literature, an additional concern is how resources influence and frame the development of supplier relationships. Adopting the resource-based-view, Håkansson and Snehota (1995) explain how buyer-seller relationships involve the development of inter-dependent resources that can enable organisations to increase their efficiency, achieve innovation and influence the behaviours of others. Dyer and Singh (1998) suggest that a firm's critical resources become embedded in inter-firm relationships and the practices that underpin such relationships can lead to competitive advantage. In this sense, the *actors* (e.g., the power they might have), the *activities* carried out (e.g., channel leadership activities) and the *resources* accessed, can be understood as the dimensions of business relationships (Håkansson and Ford 2002; Mason *et al.* 2006). Two relevant discourses emerging from this literature have important ramifications for relationship marketing theory. The first pertains to how relationships develop as a result of interactions between suppliers and buyers. The second concerns how buyers evaluate suppliers with whom they would like to build relationships. Each of these themes is worthy of further discussion.

Relationship Development: Stages, Aims and Activities

Relationship Development Stages. Buyer-seller relationships develop and change over time leading to the notion of life-cycles and the application of evolutionary theories to buyer-seller relationships. Ford (1980) identifies five stages of relationship development: pre-relation, early stage, development, long-term and final stage. Dwyer, Schurr and Oh (1987) describe the stages of relationship development in accordance with the actors' focus of attention: awareness, exploration, expansion, commitment, dissolution. However, Hedaa (1993) suggests that such distinct, consecutive stages are somewhat misleading and argues for a much more dynamic and fluid notion of 'quality relationships'. In this sense, both the interactions between the buyer and seller (e.g., exchange of products, services, information, finance, social exchange) (Häkanson, 1982) and the network context within which the buyer-seller relationship is embedded (e.g., competitors' activities, policy decisions within the buyer's or supplier's organisation, experience with previous comparable relationships, and uncertainty about alternative relationships) (Ford, 1980) seem likely to influence the dynamics of market relationships. As Hedaa (1993:191) explains, *"it is very unlikely that so many influence factors work in concert to support the life-cycle notion of consecutive stages."* Hedaa suggests that it is perhaps the *aim* or objective of the relationship that shapes its development rather than (or at least as well as) the relationship's stage of development.

Relationship Development Aims. Möller and Svahn (2003) recognise the influence of the network context within which dyadic relationships are established and developed. But, the network context is understood as a structure that, at least to some extent, can be deliberately designed (Lorenzoni and Lipparini, 1999; Möller and Svahn, 2003). Thus, managers can be understood to have a clear strategic aim behind the design of their 'strategic nets'. Such networks of relationships are designed to allow access to capabilities that create value from their market offerings. As Möller and Svahn (2003: 213) explain, the *"task and the related value system are assumed to influence both the type of [relationship] independences and the effective governance form"* (see also Zollo and Winter, 2002). In other words, *what* an organisation wants to achieve will affect the type of relationships it needs to establish and the way they are developed. The notion of relationships can therefore be understood through the development of shared values (and shared value systems) that form platforms of commonalities between buyers and sellers.

The clearer the aim of the buyer, the more well known the activities of the net and the capabilities of the actors are likely to be. Consequently the more explicitly specified the value activities can be, the more stable the relationships become. As Möller and Svahn (2003: 213) refer, *"the greater the level of determination of the value system, the less the uncertainty there is and the less demanding is its management"*. This suggests that the more complex the procurement and the less experience the actors have of such procurement activities, the bigger the challenge of identifying, initiating and developing a successful relationship.

Relationship Development Activities. Several studies examine management activities for supplier development. Handfield et al. (2000) explain how buyers can help suppliers learn to deliver the performance the buyer requires. They emphasise that supplier development becomes particularly important where an underperforming supplier provides an innovative product, service or process technology that may be of sustained, long-term advantage to the buyer. In this way, supplier development can be understood as any activity that a buyer undertakes to improve the supplier's performance and/or capabilities to meet the buyer's supply needs (Handfield et al., 2000). Such activities might include assessing the suppliers' operations, providing incentives to improve performance, instigating competition amongst suppliers and working directly with suppliers through training or other activities (Krause, Hanfield and Scannell, 2007). Prahinski and Benton (2004) found that the way such evaluations are communicated to suppliers have a direct impact on the performance of the firms in the relationship. However, relationship development activities tend to be associated with buyer-supplier relationships in the post contract stage of a business relationship. The question remains as to how buyers work with potential suppliers to co-create a market offering that doesn't exist at the pre-contract stage – before a relationship or exchange agreement exists.

Actors and Supplier Evaluation

The importance of supplier selection and evaluation is widely recognised in the industrial marketing, purchasing and operations literature, and is closely associated with the increasing emphasis on strategic sourcing agreements. Such agreements seek to establish long-term, mutually beneficial relationships with fewer but 'better' suppliers (Talluri and Narasitnam 2004). The principle driver behind such developments is improved performance (Choy et al. 2005). Araz and Ozkarahan (2006) explain that strategic sourcing evaluations aim to facilitate the identification of potential suppliers that can effectively meet the long-term expectations of companies. In this regard, where the buyer is looking to procure commodity products and services, the supplier evaluation criteria are often restricted to cost, quality and delivery aspects. However, where the buyer is looking to procure complex products and services which may require collaboration, co-creation and innovation, the strategic sourcing evaluation criteria should also aim to evaluate the potential supplier's capability to develop and manage long-term relationships and shared learning (Mason et al. forthcoming). Dulmin and Mininno (2003) suggest as relevant criteria: technology and innovation levels, quality management practices, co-design capabilities, and a co-operative attitude (also see Mandal and Deskmukh, 1994; Talluri and Narasimhan, 2004; De Toni and Nassimbeni, 2001).

The market relationships literature also sheds light on the assessment of potential suppliers in early stages of the relationship suggesting that a key driver of strong inter-firm relationships is strategic intent. Actors can more easily identify the inter-firm practices required if the aim or purpose behind the relationship development is clear, communicated and shared between both parties. When the buyer is purchasing commodity products or services, and there is an existing relationship with the supplier, the suppliers' activities may be systematically evaluated. These evaluations are associated with drivers such as cost reduction, capability or capacity shortages and innovation, and efficiency initiatives (Axelsson, Rozemeijer and Wynstra, 2006). Yet, when the buyer is wanting to purchase complex products/services (and performance), identifying the inter-firm practices needed to deliver the required performance is much more challenging (*c.f.* Novak and Eppinger 2001). In such circumstances it seems that corporate identity could provide a useful starting point to explore the way strategic buyers evaluate and develop new supplier relationships at a pre-contract stage.

Corporate Identity

Identity *"comprises the ways that a company aims to identify itself or position its product"* (Kotler, 1997, p. 292). When applying the notion of identity to the corporation – Corporate Identity – it conveys the idea that every organisation has its own personality, singularity and individuality (Bernstein, 1984). As Kapeferer (1996, p. 919) explains, *"corporate identity is what helps an organization, or part of it, feel that it truly exists and that it is a coherent and unique being, with a history and a place of its own, different from others"*. Identity can be viewed as the platform that expresses an organisation's character to different audiences, shaping the company's conduct. Overall, this research takes the view that Corporate Identity through its instruments and management, ought to base a consistent, enduring behaviour and posture in the marketplace.

The management of CI facilitates corporate differentiation by establishing the unique features and singularity of an organization. CI may be conveyed through various vehicles such as visual identity systems, communications, brand and staff behaviours and symbolic dimensions of identity (Balmer and Soenen 1999). Managers have an interest in managing or manipulating symbols and communicators (e.g., rituals, logos, advertising, physical settings) to convey the company's identity (Ashforth and Mael 1989). This rationale leads to the general idea that the management of corporate identity has controllable dimensions (e.g., Zinkhan *et al.* 2001; Bhattacharya and Sen 2003; Simões *et al.* 2005). Moreover, internal and external players in the marketplace may also affect and/or communicate the company's identity. As Bhattacharya and Sen (2003) acknowledge *"...a company can exert greater* *control over the identity communicated by members of its value chain (e.g., employees, channel members) than by those who are not part of the value chain (e.g., shareholders, customers)"* (p. 78). This means that the identity may evolve over time encompassing constituent's claims (Handelman 2006).

Existing studies directly or indirectly approaching the management of CI take account of specific aspects. Kennedy (1977) conducted empirical research into the importance of personnel in image formation. The author's findings showed that a positive corporate image development goes beyond formal communications, having personnel as a touchstone. Melewar and Saunders (1998; 2000) established corporate systems as an essential element of an organisation's projected image in a global context. They show the relevance of standardising visual identity systems for multinationals as a vehicle for projecting the company identity. Simões *et al.* (2005) specified dimensions of CI that ought to be managed internally, in particular, at the business unit level. As they explain, the management of corporate identity embraces *"(1) the endorsement of consistent behaviour through the diffusion of a company's mission, values, and goals; (2) the expression and pursuit of brand and image consistency in the organization's symbols and forms of communication; and (3) the implementation, support, and maintenance of visual systems"* (p. 153). Overall, it should be noted that managed corporate identity ought to be capable of transmitting a unique posture that a corporation conveys about itself, embracing values and communication. Employees (actors) form the personification of identity for external audiences. The articulation of behaviours and artefacts/instruments should be interactive and consistent in all its forms (internal and external) in order to transmit the desired identity.

It is our rationale that in a business-to-business context, where relationships and interactions between actors begin to blur the boundaries of the firm, the companies' corporate identity evolves as mirroring begins to occur. Thus, we argue that behavioural consistency and postures may constitute a prominent platform to initiate and sustain the inter-firm relationships. Additionally, an identity of the relationship itself may emerge from the initiation and (continuous) interactions. Such identity will ultimately influence the actors in the relationship and the relationship identity, setting the tone for the interactions between both companies. The following section will address these aspects in more detail.

The Emergence of a Relationship Identity

An important matter when addressing market relationships and the management of corporate identity relates to the determination of the unit and/or level of analysis. As discussed earlier, research into the constructs underlying market relationships has identified success influences such as trust, commitment (Anderson and Weitz, 1992; Morgan and Hunt, 1994; Siguaw et al. 1998), and channel leadership (Katz and Kahn , 1953; Stogdill and Coon 1957); exploring these influences at different levels. For example, Caceres *et al.* (2007) survey advertising agency customers to identify levels of satisfaction, trust and commitment. In their study a response is provided from individuals at the buying firm. Notably, respondents completed the survey referring to the selling agency as a group or entire organisation thus incorporating multiple levels of analysis. Similarly, understanding what a relationship represents and how one should behave as part of it is likely to develop on multiple levels: the individual level, the group level (within departments or functions) and the organisational or firm level.

The complexity of identity magnifies the necessity to understand the various levels or echelons at which it may function. When addressing the problems with the terminology associated with the study of identity, Brown *et al.* (2006) identify 4 viewpoints of the organization translated in the following questions: *"who are we as an organisation"; "what does the organisation want others to think about the organisation?"; "what does the organisation believe others think of the organisation"; "what do stakeholders actually think of the organization?"* (p. 100). Concurrently, the authors refer to two levels of analysis: organisation level and individual level. Similarly, when referring to matters related to identity and identification Ravasi and van Rekom (2003) specify five levels of analysis: individual, group, organisation, industry and society.

Consequently, at the various levels of identity and interactions the relationship itself will develop its own character, i.e., the relationship identity. The relationship identity embodies what is unique to a relationship that makes it work, such as rules, statements and shared values that form a platform to sustain the dyadic relationship development. Ultimately, the relationship will entail relevant traits from both companies' identities shaped according to the (continuous) interaction at different levels and may be deliberately initiated by one or both parties. The identity of the dyadic relationship sets the tone for the development of the relationship. As Beech and Huxam (2003: 46) explain, in the case of an inter-organisational collaboration setting: *"Some practitioners see forming an identity for the collaboration as* *crucially important because it is linked to the process of getting partners to identify with it and hence to buy into it. In such cases, deliberate attention may be paid to making it happen".*

We consider the companies' task of *'learning to develop a strategic sourcing relationship'* as a process through which firms must base their actions (and expectations of others in the relationship) on their perceptions and understanding of the 'identity' of each other. Applying the rationale expressed earlier, we suggest that there is the emergence of a unique relationship identity providing the principles on which the strategic relationship operates. The relationship identity is influenced by the development process of the strategic sourcing relationship and is manifested in changes of practices and activities (e.g., changes in routines or negotiation practices in the buyer's dealings with the supplier). We argue that this behavioural setting is the outcome of the dilution and mirroring of the company's identities into a relationship identity that is unique to that particular relationship. In this sense, while it is widely recognised that individuals within each organisation are responsible for developing relationships with other individuals in other organisations, the identity of the relationship that develops becomes established and '*shared'* both on an intra an inter-firm basis. Figure 1 depicts the intertwined nature of corporate identity, relationship and relationship identity and the possible levels of analysis.

[INSERT Figure 1]

Research Design

In order to understand how the different elements of corporate identity interact with the different elements of a new and evolving business-to-business relationship over time, we adopted a single, longitudinal, in-depth case-design (Easton, 2003; Flyvbjerg, 2007; Halinen *et al.*, 2005; Eisenhardt, 1989; Pettigrew, 1990). We studied an emergent buyer-seller relationship in a complex procurement situation where the actors were not previously known to each other. In a new relationship for complex procurement the buyer and seller have to interact in a more explicit way about the actors, resources and activities in order to fulfil any potential contract. Such context provides an opportunity to observe how the individuals, groups and firms perceive and sort to evaluate their own identity and the identities of other actors in the relationship through the use of visuals and imagery, mission and values (see Figure 1).

This study tracks the development of an emergent relationship through three distinct pre-contract phases: (i) the initial approach to potential suppliers, (ii) the tendering process, and (iii) the point of contract award. As is typical with complex procurement, this three stage process took twelve months to complete. Our study observed the relationship throughout the twelve month period.

Stage One: The Approach to Potential Suppliers

The approach to potential suppliers marks the beginning of a relationship (Ford 2003). At this stage the buyer is interested in identifying and profiling potential suppliers that would be worth approaching. To this end, the buyer uses its knowledge of the marketplace, talks to other known suppliers in its strategic network and draws on industry analysts and web information. Only the very broad *aim* of the relationship is understood by the buyer (Araz and Ozkarahan, 2006). Once potential suppliers have been identified by the buyer, they are approached. The purpose of these interactions is twofold: (i) for the buyer to develop its understanding of the marketplace and the different firms (their resources and activities) that might be accessed; and (ii) for the supplier to start to consider how they might provide (or co-create) innovative solutions in a complex procurement situation, according to the buyer's performance requirements.

Stage Two: The Tendering Process

The second stage is marked by a formal exchange of Invitation to Tender (from the buyer to the supplier) and Tender Document submission (from the supplier to the buyer). In this regard, the buyer and supplier are cross checking that they are sharing a common understanding of the value system within which they will conduct their activities (*c.f.* Beech and Huxam, 2003; Möller and Svahn, 2003). In complex procurement situations, the preparation of the tender documents is time consuming and costly and, therefore, suppliers usually only prepare and submit tenders when invited.

Stage Three: The Contract Award

The contract award stage entails the development of a legally binding contract deploying the aim, actors, resources, activities, 'deliverable performance' and compensation of the business relationship. This marks the final pre-contractual stage of a new relationship (Sink and Langley 1997).

Data Collection

A discovery oriented research design was developed to allow us to follow the links between actors and artefacts (or material devices). As our objective was to generate in-depth insights into the interactions between elements of corporate identity and the emergent business relationship, much weight was placed on repeated semi-structured interviews with key informants (Yin, 1994). We developed an interview guide (Table 1) addressing the perceptions of the respondents about their own firm, the '*other'* firm in the relationship and the relationship itself. We focused on gaining insights about inter-firm understanding at three levels: (i) individual (perceptions that actors from each firm developed of the other), (ii) group (overall perceptions about group interactions), and (iii) firm (general perceptions about the firm and the firm's representation). Questions explored how perceptions evolved throughout the tendering period. We inquired about the developments in the business practices and activities and why, how, when and with which individual or groups of actors the relationship developed. Respondents were asked to tell stories about events relating to the emergent business relationship and to address the different artefacts that influenced their interpretations and evaluation of the other firm. The guide was refined after the first round of interviews (Hopkinson, 2003).

Table 1: Interview Guide

Questions	**Related Concepts**	**Basis for Conceptualisation**
Explain what you think your firm is trying to achieve through this strategic sourcing initiative	Relationship Aim	Möller and Svahn, 2003 Araz and Ozkarahan, 2006
Explain the people currently involved in the strategic sourcing initiative, their role and their background	Relationship Actors Corporate Identity	Håkansson and Snehota, 1995
Describe your activities relating to the emergent relationship	Relationship Activities	Håkansson and Snehota, 1995 Möller and Svahn, 2003
Describe the firms that [may] have a role in the emergent relationship.	Corporate Identity	Simões *et al.* 2005
Explain what your firm can do/is doing to support the development of the relationship	Relationship Resources Relationship Activities	Håkansson and Snehota, 1995
Describe your current perceptions of the buyer/supplier in this relationship	Corporate Identity	Simões *et al.* 2005 Balmer and Soenen, 1999
Describe your current perceptions of your firm	Corporate Identity	Simões *et al.* 2005 Balmer and Soenen, 1999
Describe any recent <u>changes</u> in the way you see the buyer/supplier	Corporate Identity: consistency	Simões *et al.* 2005 Zinkhan *et al.*, 2001 Balmer and Soenen, 1999
Explain what influenced your perception of the buyer/supplier (stories)	Corporate Identity: consistency	Simões *et al.* 2005 Balmer and Soenen, 1999
Explain how you see the relationship working; who will do what, when, how? (stories)	Relationship Identity Relationship Actors, Activities & Resources	Simões *et al.* 2005 Möller and Svahn, 2003 Håkansson and Snehota, 1995 Beech and Huxham 2003

Our key informants were the people responsible for initiating and developing the relationship. Accordingly, directors, middle managers and line managers were identified as the most relevant sources as their day-to-day involvement with strategic development and operations cast them in this role. When we began the study, only the Purchasing Director and the Senior Buyer were known to us. As the strategic sourcing initiative progressed we were able to identify the appropriate actors that were central to the emergent buyer-supplier relationship. At the beginning of each interview, respondents were asked to describe and explain the relationship development activities they had recently been involved with. The remainder of the interview covered the topics referred to in the interview guide. The interviews were conducted individually and typically lasted two hours. Respondents were re-interviewed approximately every three months. A total of twenty-eight interviews were carried out. Interviews were audio-recorded and transcribed. Table 2 shows the key informants from the buyer (BuyCo) and the supplier (SupplyCo). Firms and employees have been renamed to protect their identity.

Table 2: Key Informants and Interviews

Actors	**Seniority of interviewees**	**Name**	**Stage 1: Supplier Approach** 0-6 months	**Stage 2: Tender** 6-9 months	**Stage 3: Contracting** 9-12months
BuyCo	Senior Buyer	Charles	3	2	1
	Director	Peter	2	2	0
	Senior Manager	Jim	3	2	1
	Director	Grant	2	1	1
SupplyCo	Director	Mark	2	1	1
	Senior Manager	Tim	2	1	1
Total number of interviews					**28**

The collected data also included the following instruments: industry reports, minutes of meetings, emails, notes taken by respondents during telephone conversations and meetings about the strategic sourcing agreement, archive materials, and various procedure and review documents concerning the interactions between the companies. Additionally, detailed field notes (e.g., researcher's notes from meeting observations) recorded researchers' impressions from each visit.

Data Analysis: Data analysis involved inductive reasoning and comparative methods, placing a significant emphasis on verbatim quotations from informants. A systematic approach to the analysis of transcripts and visual data was adopted in a procedure akin to that of Turner (1981). Care was taken to analyse corporate identity data that represented what was being managed and *projected* by each firm (through websites, PowerPoint presentations, etc), and the *perceived* corporate identity being interpreted and explained as 'influencing' the relationship (through interviews and stories).

The data were coded as buyer, supplier and/or relationship elements of corporate identity, and associations between the corporate identities and their elements. The research explored the changes in the different elements of the emergent business relationship over time. We used HyperResearch software to code visual data, transcript and sound file data in ways that allowed us to see the associations between business relationship and corporate identity elements. In this way, data collection, analysis and theory building was a continuous and iterative process throughout the study.

Findings

In 2004 a large Europe-based manufacturing firm (BuyCo) decided to try the benefits of the efficiency and cost based advantages that might be created through a strategic sourcing agreement. This would entail sending some of its engineering design work to a specialist third party provider. Because of the sensitive and complex nature of the work, BuyCo knew they would have to develop a close working relationship with the new supplier. BuyCo needed to evaluate potential suppliers and to be able to establish congruency among the business objectives and the relationship.

We analysed an emergent relationship in a complex procurement situation throughout three pre-contract stages: i) *the approach to potential suppliers; ii) the tendering process;* and *iii) the contract award.* As the study progressed it became clear that buyer and supplier corporate identity influence the emergent business relationship in different ways throughout the stages within the relationship development. The development of the relationship also had the underlying emergence of a relationship identity. These observations are reflected in the production of the findings and in the derived propositions. The presentation and analysis of the empirical findings was further guided by the research framework presented in Figure 1. Findings cover the following themes: (i) Buyer's Corporate Identity as relationship informer; (ii) Seller's Corporate Identity as relationship informer; and, (iii) The emergence of the relationship identity.

i) Buyer's Corporate Identity as relationship informer

The first key stage of our study - *the approach to potential suppliers* - addresses the recognition of the aim of the new business relationship. One of the main vectors of CI is the clear establishment of the mission and values of the company. Ultimately such dimension brings into the CI a strategic facet of the corporation and guides intended behaviours for the company (Balmer and Soenen 1999; Bhattacharya and Sen 2003; Simões et al. 2005). When developing a strategic sourcing initiative and the subsequent relationship, it is fundamental to establish the aim of the relationship and define vectors for its evolution. The first stage of the strategic sourcing initiative involved BuyCo working out what they wanted to do. There was much discussion between the Business Development Director (Grant) and the senior purchasing team regarding what BuyCo was trying to achieve. A member of the purchasing team (Charles) explained,

"We don't really know how it's going to work... We realize there's going to be a learning curve on both sides.... We don't really have a sense of what the market place can and can't offer us yet."

To try and crystallize the aim of the proposed business relationship Grant and Charles reviewed the core mission and values of their firm. In particular, they emphasized the values as a platform to clearly shape the aim of the relationship and its activities. By doing so, BuyCo attempted to determine the grounds for the relationship: *'trusted to deliver excellence'* and *'commitment to year on year growth'*; "*reliability*" (concerning the generation of customers trust); "*integrity*" (concerning the way BuyCo operated and behaved); and "*innovation*" (concerning the way BuyCo operated, "*remaining open minded and flexible in our work*"). BuyCo were using the mission and values element of their firm's corporate identity to help inform the aim of the relationship. Based on this discussion we propose that,

P1: Dimensions of buyer's corporate identity inform the relationship aim

P_{1a}: Buyer's Corporate Identity through the underlying of mission and values informs the business relationship aim.

Still during the first stage related to *the approach to potential suppliers*, BuyCo conducted a make/buy analysis to identify service providers in the market and to evaluate the potential of accessing the required capabilities. At this point there was a dominance of the search for 'information' at the corporate level including the search for artefacts through the internet. It seems that suppliers' CI presented through values, mission, visuals and imagery (Simões et al. 2005) is a relevant axis to gauge the potential of the supplier. In addition, previous knowledge about the suppliers influences the activities of emergent relationships. In particular, the buyer relied on interpretations and perceptions from actors who had worked with or knew of the supplier. Using contacts, company records and the internet to identify potential suppliers, BuyCo sent out a *'Request for Information'* (RFI) to chosen potential suppliers. The RFI asked for general information about the types of services provided, capabilities and working practices. Two of BuyCo's values were repeatedly emphasized in formal and informal communications with potential suppliers: *'trusted to deliver excellence'* and *'commitment to year on year growth'*. These values were evident in the *RFI.*

The approach to potential suppliers evolved from remote analysis and communications into face-to-face interactions. BuyCo hosted a Supplier Conference in their firm's conference facilities inviting six potential suppliers. The supplier selection was based on the interpretations of the identity from the suppliers collected earlier and feedback generated by the *RFI.* BuyCo broadly knew the type of work they wanted to outsource but they were unsure how they might do it. BuyCo used the Supplier Conference to identify the *resources* the supplier could bring into the relationship and to explore the inter-firm *activities* that would allow the effective and efficient delivery of the required performance. Such procedure reflects the evolutionary process of the outsourcing decision, assisting the assessment of the supplier. In fact, throughout the selection and assessment process, it may be relevant to have the input from the potential supplier to better define the sought resources and activities (Araz and Ozkarahan, 2006). Because of the complex nature of the services that were being procured, and because BuyCo had never strategically sourced these services before, it was not immediately clear to the buyer what resources could or should be accessed from the supply network (*c.f.* Dulmin and Minino, 2003).

To further understand the influences on the buyer's perceptions of potential resources and activities that might be accessed through the various supplier relationships, we examined the materials presented at the supplier conference (by BuyCo and SupplyCo). Visual and tangible artefacts are a relevant dimension of corporate identity (Ashforth and Mael, 1989; Melewar and Saunders 2000). Imagery of the iconic buildings and other artefacts that suppliers were exposed to, influenced the types of relationship development activities they felt they needed to be involved in and the core activities that would form the genesis of the business relationship - the delivery of high performance services. Two corporate identity imagery instruments were commented upon following the Supplier Conference: BuyCo's buildings and visual identity artefacts, and the PowerPoint presentation.

The Supplier Conference was held at BuyCo's manufacturing plant in their conference facilities. SupplyCo respondents commented on the enormous size of the plant and the drawings and photos of BuyCo's products (in use and under development) which were on the walls in the conference area. The corporate colours (blue and silver) and the company logo were also highly visible. Suppliers were exposed to a corporate space that had clean lines and looked cared-for; there was an underlying impression of efficiency, precision and quality. The conference gave BuyCo the opportunity to project the company values and the aim of the proposed business relationship to suppliers. It also provided and shaped the way BuyCo perceived the corporate identity of the potential suppliers. Charles explained: *"We could see what they [the potential suppliers] had to offer, what they could do.... and talk to them about how they might do it"*. By relying on a supplier to *deliver excellence*, BuyCo was transferring a central part of a function to a supplier. As Charles explained to the potential suppliers: *"Your capability will dictate our XXX engineering quality and delivery performance... and therefore customer satisfaction"*.

The powerpoint presentation constituted an additional visual artefact. SupplyCo respondents explained how they perceived the imagery of BuyCo's PowerPoint presentation. Mark described BuyCo's first slide as making good use of corporate colours (blue and silver/white), depicting BuyCo's logo, a picture of their products, title and date. As Mark explained: *"The remaining slides were white with black text showing bullet points with a double blue stripe running across the bottom ... it was deeply professional and that of course affects what you deliver - it sets the standard."*

Mark also discussed the impact that *'being at BuyCo'* for the Supplier Conference had on his team. In particular he referred to the expectations and the behaviours it seemed to influence:

> *"You're left in no doubt of what is expected of you...there's something imposing [pause] even resplendent about the place and it makes you feel as though that is what they expect from you... and it runs right the way through; the buildings, the way people present themselves.... None of this is new, or unexpected, but it does influence you"*.

Based on the earlier discussion we propose that:

P_2: Dimensions of buyer’s corporate identity inform the relationship activities.

P_{2a}: The ‘mission and values’ from the buyer’s corporate identity informs the sought activities.

P_{2b}: The dimension ‘visuals and imagery’ from the buyer’s corporate identity informs the sought activities.

I addition, we establish that,

P_3: Dimensions of buyer’s corporate identity inform the requirements for the sought resources.

P_{3a}: The dimension ‘mission and values’ from the buyer’s corporate identity informs sought resources.

ii) Seller’s Corporate Identity as relationship informer

The second stage of the strategic sourcing initiative – *the tendering process* – is marked by a formal exchange of Invitation to Tender (ITT) (from the buyer to the supplier) and the Tender Document submission (from the supplier to the buyer). BuyCo elaborated the criteria for the ITT, based on their experiences and feedback obtained at the Supplier’s Conference and subsequent contacts with potential suppliers. Charles and Grant (BuyCo) decided to issue an ITT to SupplyCo and two other suppliers. After the ITT had been issued Charles (BuyCo) spent more time talking on the phone to SupplyCo members, answering questions and reiterating what BuyCo was trying to achieve. Consequently, this stage involved SupplyCo working out what their offering would be – what services would be performed and how, and the associated value creation – the physical manifestation of which became the Tender Document.

The interactions between BuyCo and SupplyCo’s actors focused on the production, interpretation and presentation of artefacts that set out to describe and frame the relationship. Our analysis revealed that BuyCo had started to compare and merge the values of SupplyCo and BuyCo in their presentation of the ITT. SupplyCo were BuyCo’s preferred supplier. This was evidenced by the more tightly defined relationship aim. During stage one of the relationship BuyCo understood the aim of the relationship to be associated with three key aspects of purchasing performance: cost savings, quality of performance and long term relationship. By the time BuyCo prepared the ITT, they understood the aim of the relationship to be associated with developing value through the original service offering and additional services associated with the development of efficient working practices for packaging of work between functions and firms. In this way, BuyCo began to develop a much deeper understanding of the relationship's value creation system that the two firms were co-creating. This is in line with Möller and Svhan's (2005) observation that, to some extent, the network (and the dyadic relationships that comprise it) can be deliberately designed. In this instance, the shared organisational values of *reliability* and *innovation* had lead to the identification of business activities that focused on new ways of achieving efficient, as well, as effective performance. Therefore we propose that:

P_4: Dimensions of Supplier's corporate identity inform the development of the business relationship aim.

P_{4a}: The mission and values used in a supplier's corporate identity inform the development of the relationship aim.

Further evidence of the influence of the supplier's corporate identity was found in Charles' notes, taken during telephone conversations with SupplyCo. Charles' telephone notes included observations on: *"team professionalism"*, *"deep field experience"* and "*co-operation"*. One comment of Charles' notes read, *"they can package work!!!"* This illustrates Charles' emergent understanding of the core activities that SupplyCo might perform. Charles also had notes relating to who the key actors would be and what the reporting lines might be within BuyCo, within SupplyCo and across the two companies. In this way, the structure and mechanisms of the relationship began to be understood. Charles recounted:

"We learnt a lot. We listened to what they could do and how they [SupplyCo] saw themselves as a company – the type of company we thought we could do business with, and we used this to develop the ITT document."

Thus,

P_5: Dimensions of Supplier's corporate identity inform the development of the business relationship activities.

P_{5a}: The mission and values used in the supplier's corporate identity inform the business relationship's activities.

iii) The emergence of the relationship identity

The multiple levels of analysis revealed that interactions focused on identity at the corporate, group and individual levels. Specifically, we discuss the association between: (a) the buyer's corporate identity and the relationship identity; (b) Conflation of Buyer and Supplier Corporate Identity into an Emergent Relationship Identity; (c) Relationship Identity as an informer of the relationship elements; (d) The dynamic facet of Relationship Identity; (e) Interaction between Relationship Stage, Relationship Elements and Relationship Identity.

a) The buyer's corporate identity and the relationship identity

Throughout the first stage the buying company controlled the information content and requirements, setting the tone for the relationship. When the buyer approached potential suppliers, the buyer used corporate level identity to frame and influence a group level relationship. The buyer's approach constitutes the initial attempt to determine how the relationship should evolve into an autonomous identitarian relationship. The conference became a relevant instrument in communicating and articulating the relationship tone. BuyCo presented the relationship aim to potential suppliers by drawing on their organisational values, explaining: *"...the ethos, the spirit of what we were trying to do..."* and *"the possibilities of what we might do through the relationship..."* Charles described how BuyCo's identity needed to be firmly stamped on the buyer-supplier relationship,

> *"We finished the presentation with this slide. It had our mission on it, 'trusted to deliver excellence' and in red, stamped over the top we put "our reputation will depend on your performance" – 'cause [we] really need to hammer the point home that this wasn't just business as usual."*

The slides and the oral presentation were used as artefacts to convey the strategic nature of the intended relationship. There were seven slides addressing the company growth trajectory. A bullet point at the top of one slide read, *"Year on year performance improvement targets – including costs!"* The presentation depicted other expectations: *'No volume commitment', 'Resources on demand', 'Expectation that the supplier will meet its commitments from the outset'.* The slides also emphasised the need for quality and commitment:

- *"do not under-estimate the amount of time and effort necessary to maintain the required level of quality performance... "if you want a place in the sun you've got to put up with a few blisters!" – Abigail van Buren";*
- *"the expectation is 100% commitment conformance – formal change management of commitment – no surprises!"*;
- "*working together for the future; securing stability for both organisations; sharing and discussing problems; embracing each other's point of view; constant communication is key".*

The verbal discourse consistently captured the essence of the intended relationship. During the presentation Mark (SupplyCo) commented,

> *"Charles kept referring to the relationship being a 'partnership' ...but he also made it clear that [BuyCo] would layout the operating mechanism of the relationship."*

BuyCo intended to provide instructions to the supplier regarding how the relationship would function, yet the supplier would take responsibility for the activities. As Charles (BuyCo) explained during the conference: *"The process and documentation will be franchised to the vendo."* SupplyCo's perceptions of BuyCo's corporate identity also drew on the projected values and imagery. Mark (SupplyCo) described BuyCo's slides as: *"...focusing on explaining the objectives of the [proposed] relationship... and emphasising the value of sustaining a long-term relationship with them."* It seems feasible to suggest that, at the early stages of a new-to-the-company strategic sourcing initiative,

P_6: Dimensions of buyer's corporate identity set the tone for the business relationship identity.

> P_{6a}: Buyer's 'mission and values' set the tone for the business relationship identity.
>
> P_{6b}: Buyer's 'visuals & imagery' set the tone for the business relationship identity.
>
> P_{6c}: Buyer's 'image consistency' sets the tone for the business relationship identity.

b) Conflation of Buyer and Supplier Corporate Identity into an Emergent Relationship Identity

By the beginning of the second stage the actors from SupplyCo were aware of the need for behavioural congruency among the actors in the relationship team. Mark (SupplyCo) explained that for him, the Supplier Conference had been about listening and trying to understand the core meaning of the strategic sourcing agreement. He was conscious that this needed to be reflected back to BuyCo in the tender document. As Mark recalled, *"We knew that we needed to speak their [BuyCo's] language, use their terminology and demonstrate that we understood what they were about…."* In order to develop the tender document, SupplyCo worked with a public relations (PR) agency so that the tender document would build around an appropriate framework. Mark described SupplyCo's concerns in reflecting BuyCo's values and image through the tender document:

> *"We [SupplyCo and the PR agency] talked about how the document needed to look – branding, clear lines, logical, professional. …there's a sort of [industry] look that fits with our branding and theirs [BuyCo's] anyway…" […] "They [the PR agency] took our document and the Invitation to Tender document, and they structured it so that each of the criteria that BuyCo identified was addressed, one-by-one. Each criterion became a section of the tender document. ….and the tender document, when it was done, was like a mirror [to BuyCo]…".*

Through the process of preparing the tender document, an emerging relationship identity was observed. This represents the emergence of a group level identity that is influenced by, but autonomous from the corporate identities of the two firms in the relationship. Although, the buyer's corporate identity was prominent, the relationship itself started to reflect the intertwined identities shaped by the congruency and complementarities of both the supplier and the buyer. The conflation of buyer and supplier corporate identities was evidenced in the tender artefacts. For example, SupplyCo used their own corporate colours (orange, blue and white) in the tender document, together with the Logos of both companies. Mark seemed very conscious of the identities of the two companies merging in the tender document in a way that generated a new identity: a portrayal of the relationship between SupplyCo and BuyCo. Thus, we propose that:

P_7: Buyer corporate identity and supplier corporate identity are conflated to form the relationship identity.

P_{7a}: Buyer and Seller mission and values are conflated to form the relationship mission and values.

P_{7b}: Buyer and Seller visuals and imagery are conflated to form the relationship visuals and imagery.

c) Relationship Identity as an informer of the relationship elements

The data analysis suggested that the shared values that emerged out of the interactions between SupplyCo and BuyCo during stage two had an underlying congruency with the developing relationship. The relationship identity was also visible during the third stage of the relationship when the contract is awarded and when the post-contract relationship is established. At this stage, there is commitment to a legally binding agreement establishing: the aim(s), the actors involved in the relationship, the resources and activities, the 'deliverable performance' and compensation. The contract identifies workflow forecasts, compensation rates and time scales broadly outlining the processes and mechanisms for interaction between BuyCo and SupplyCo. Specifics are avoided in the contract, in the interest of fostering a positive *"problem-solving"* long-term relationship (*c.f.* McNeil, 1980).

Once the contract is signed, the contract *"goes away in a draw"* (Charles) and the inter-firm practices for delivering the agreed service are developed. Our analysis revealed that at this stage the focus on each firms' corporate identity disappears into the background and managers and front-line workers look to the relationship identity to help them develop appropriate activities to deliver the required performance. Group identity shapes the individual's identity of who they work for and how they should work. Thus, we find further evidence to support the idea that relationship identity informs relationship elements:

P_8: Relationship Identity informs the business relationship elements

During the second stage, the congruency established in the relationship by the shared values informed decisions about which individual actors might be most appropriate to develop and manage the relationship. The individual actors (Mark, Grant and Charles) appeared to like each other and wanted to make the relationship succeed. The actors agreed that both companies were entering *"uncharted waters."* The association between the relationship and the individual actors identities is concordant with the observations of Häkansson and Snehota (1995) who recognise that specific relationships are determined by the bonds between individual actors. Our research findings further suggest that the identity of the relationship appears to be shaped by the conflation of the buyer's and seller's corporate identity influencing who might be the 'right' actors to be involved in the day-to-day practice of the relationship. Therefore we suggest that:

$P_{8a:}$ Relationship Identity informs the actors that become involved in the relationship.

Only when a relationship identity has become manifested in some way in shared documentation or other artefacts, can be expected to inform the actors that are involved. By stage two of the BuyCo-SupplyCo relationship, a relationship identity appears to have considerable shape and the actors are exploring the possibilities of the relationship activities and resources (Dwyer, Schurr and Oh, 1987). SupplyCo's tender document added details explaining how the business relationship might work. The document outlined both formal and informal communication channels so that the inter-firm activities and routines could be developed and improved over time. The way the values of *'professionalism', 'trust'*, *'co-operation'* and *'problem-solving'* had been presented in the ITT document began to influence the way relationship activities and resources were understood and framed in describing the potential practice of the relationship. Therefore, we additionally suggest that:

P_{8b}: Relationship Identity informs the relationship activities.

P_{8c}: Relationship Identity informs the relationship resources.

Once the contract was awarded (third stage) and to address the delivery of timely and quality service, there was the development of new standard procedures for recording accomplished work. Inter-firm activities and routines became mechanisms used to communicate and co-ordinate activities (e.g., weekly meetings and debriefing sessions). All activities and associated artefacts were co-branded. The co-branded paperwork symbolised a significant change for BuyCo and some activities faced resistance from individual actors within BuyCo. Interestingly, when frontline problems occurred between individuals on specific jobs, senior managers brought into the fore the original relationship aims and values. It seems that the relationship identity acted as an instrument for evaluation of supplier (and sometimes also buyer) performance and for the resolution of problems. Thus, in the third stage of the relationship, the relationship identity becomes a reference point to guide behaviour of individual actors. Hence we propose that:

P_{8d}: Relationship identity informs the way actors in the relationship clarify and resolve potential conflicts.

d) The dynamic facet of Relationship Identity

Our analysis revealed an influence of the stage of the relationship development on the relationship identity. In this way, our findings support the notion of 'collaboration identity' proposed by Beech and Huxham (2003) but emphasise the dynamic nature of relationships over time (Hedaa, 1991). At the post contract stage key actors from BuyCo and SupplyCo sat down together and worked through a crystallising process to enable them to specify activities for distinct types of work. The *"touch points"* for intra and inter-firm interactions were identified at multiple levels. These interaction touch-points were designed to support the key aims of the relationship and to assist the learning process associated with two firms working together for the first time. For this reason the inter-firm team (comprising three actors from each firm) identified and put into place a number of reporting processes that relied on the completion of forms that "*followed jobs"*(Jim) – tracking work-in-progress. The instructions relating to which form should be completed by whom and when, were embedded in workflow diagrams that were also produced by the group and were circulated to all individuals involved in the work (at multiple levels within the two organisations).

The artefacts (tender document, workflow diagrams) reflected the relationship identity through symbols and imagery introduced in the second stage of the relationship, including corporate colours and the logos of both companies. The documents were developed specifically to support the relationship and, in this sense, the second and third stages of the relationship draw more heavily on relationship identity than companies' corporate identity. The documents' content reflects the aim of the relationship and draws on the 'problem-solving' and 'cooperation' *values* of the relationship. Despite the clear visibility of corporate (visual) identity in stages two and three (through the use of both company logos), it is the relationship identity that appears to be influencing the actors. Jim [BuyCo], considering the development of activities to support SupplyCo's learning as they set out to deliver a new job:

> *"If we're putting this work out, we can't just expect them to pick it up. There has to be a learning curve. And we can help them in that… it's in our interest."*

We can distinguish between the nature of relationship identity at stages two and three. By the third stage, the relationship identity is much more clearly understood (particularly amongst the inter-firm group/team members) and so the symbols, behaviours and communications that are observed appear to personify the relationship identity established during in the tendering process (stage two). We suggest relationship identity is dynamic and at early stages of a new relationship, relationship identity is still forming and taking its shape. At the later stages of a relationship, the relationship identity is more established and may influence the inter-firm practices adopted. In our twelve-month time scale, we found evidence of the emergent relationship identity developed in stages one and two, driving concessions from one of the firms in stage three. As inter-firm activities and routines began be put into practise, it became clear that there were *"some holes in the way we're working" (Tim, SupplyCo).* Therefore, we propose that:

P_9: The relationship identity is dynamic

e) Interaction between Relationship Stage, Relationship Elements and Relationship Identity

The actors involved in the relationship development changed over time. During stage one, the actors framed and reframed the aim of the business relationship as they began to understand better the market opportunities, the values and offerings of a specific supplier. During stage three, the actors changed again and the aim of the relationship together with the relationship identity (specifically the values of the relationship) began to influence the activities of the frontline workers and managers. Furthermore, as the frontline workers began to encounter problems and seek solutions, the relationship identity was drawn on to frame the response and simultaneously the aim of the relationship was refined and adjusted. Mark explains,

> *"We got to a point where I had to sit down with Jim and Grant and have a very frank conversation about the forecasting... We just couldn't understand where these figures had come from..... It turned out that BuyCo's boys [frontline workers] were sitting on stuff [work] that should have been coming out to us..... so part of our task then became about working with BuyCo to package the work and get it out. We knew how to do this and as outsiders it was much easier for us to make this happen than it was for BuyCo to."*

This situation represents a critical event at a specific stage in the relationship. It also demonstrates the interaction between business relationship elements and relationship identity as a direct consequence of the critical event. Once the problem had been addressed through adjustments to actors, activities and resources, the aim of the relationship was reframed to incorporate the need of SupplyCo to package work, as well as, to deliver the completed work. Moreover, the identity of the relationship went through a readjustment. For example, individual mission and values were refined to encompass common expressions such as the "*management of...", "delivery of..."* quality services and performance. These common expressions embedded SupplyCo into the BuyCo activities and, thus, blurred the boundaries between the two firms (*c.f.* Araujo *et al.* 2003). Therefore evaluation shifts from a key focus on the supplier to focusing the evaluation on the group – the relationship evaluation. In this way supplier evaluation appears to draw heavily on the relationship identity. We suggest that:

> P_{11}: Relationship stage mediates the interaction between relationship identity and business relationship elements.

Discussion and Conclusion

This research attempted to uncover the role of corporate identity in establishing a business-to-business relationship. Although we identified a vast literature devoted to outlining the increasing importance of corporate identity and a parallel stream concerned with the management of successful business relationships, little is known about how corporate identity affects and emerges from a business-to-business relationship. The study suggests that the identity of companies involved in a relationship has a prominent role in informing and moulding a new relationship. Throughout the development of this study it was clear that parameters sustaining each company's identity (e.g., mission, values and symbols) were used to pillar and frame the nature of the relationship. The strategic scope of the analysed business relationship adds to the significance of corporate identity in informing the relationship and, ultimately, the business policy. Although it was core to the buyer to present the aims and goals of the relationship, the identity of the company was explicit and/or entangled in the discourse in order to raise a holistic understanding of the relationship itself and how it was expected to subsist. In line with the observations of Ford (2003), our findings suggest that relationships are developed through the interactions of actors (both individually and in groups, through company representations), the emergent inter-firm activities they agree to, and the resources they share (*c.f.* Håkansson and Snehota, 1995).

This study addressed the role of identity and business relationships during the contracting stage and how it influenced and informed the emerging relationship. The findings stressed that buyers may draw on supplier's CI to inform their evaluation of the supplier's potential during the early stages of selection. Such a role seems to be dominant when buyers do not have access to traditional supplier evaluation criteria (e.g., cost, quality and delivery) (Araz and Ozkarahan, 2006). In particular when the procured service is complex, companies may be in the position of only being able to loosely define the services required. Consequently, buyers look for a broader evidence base of “professionalism”, “innovation”, “co-operation” and specific management practices. These criteria are in line with those suggested by authors such as Dulmin and Minino (2003), Mandal and Deskmukh, (1994) and Tallui and Narasimhan (2004). Our findings expand on this perspective by revealing that these broader criteria are captured and reflected in the organisation’s corporate identity and occur at different levels of interactions. In this case, criteria are manifested at the corporate level in missions and values, at the group level by the way the activities of the relationship are framed, and at individual level when individual actors progress with the relationship.

Previous research has shown that corporate identity has features or dimensions that ought to be managed (Simões et al., 2005; Melewar and Saunders, 1998; 2000). Our study expands on such perspectives suggesting that the role of identity changes throughout the relationship development, as well as, the prevalence of certain identity dimensions as relationship informers (*c.f.* Hedaa, 1993). For example, during the approach to suppliers stage (stage one), it seems that behavioural components of identity such as mission and values, image consistency and visuals become dominant dimensions as relationship informers. At this phase identity content concentrates at the firm level and tends to focus on the buyer’s identity. During the tendering process stage (stage two), the seller’s identity informs the relationship elements. In addition, at this stage, identities from both the buyer and supplier come to the fore and are noticed at the group and firm levels and conflate into an emerging relationship identity. During the contract award and post contract relationship stage (stage three), individual corporate identities are diluted into the relationship identity.

Therefore, an additional contribution stemming from this study is the notion of the ‘relationship identity’ (*c.f.* Beech and Huxham 2003). The relationship identity conveys the idea that when companies develop continuous relations, the relationship itself has a unique identity. When addressing the relationship identity our study focused on how it emerged from the companies’ identities and relationship dynamics. Identities morph (Handelman 2006) reflecting both parties claims. The relationship identity is, therefore, moulded by the relationship elements (e.g., aims), the involved companies’ identity and the development of the relationship itself at the various levels of interaction that it occurs. The stage of the relationship is also likely to shape the relationship identity. In particular, during the contract award and post contract relationship stage, the relationship identity becomes a guiding platform for individual actors' behaviour. In this sense, the relationship identity is pivotal for the relationship progress.

Following this line of thought, relationship identity is dynamic and likely to be affected by the relationship stage. Nonetheless we do not take the view that relationships are a sequential evolution from one stage to the next (as, for example, suggested by Dwyer, Schurr and Oh 1987). We take Hedaa's (1993), view that relationships do not follow a series of smooth and consecutive stages, but are dynamic and often turbulent. From this perspective, the conflict in business relationships may not necessarily be a negative occurrence but rather something to be embraced to enhance innovation and improvement. At such moments, relationships are rethought and the aim of the relationship may need to be developed or re-shaped. This is consistent with the observations of Handfield et al. (2000) who recognise that buyers and suppliers can help each other to deliver the required performance. We looked at a new relationship over a twelve month period assuming this is the beginning of the relationship. In fact, long term relationships typically last over five years. We suggest that this has implications for relationship identity which would also need to be (re)moulded accordingly. Thus, relationship identity is understood as a dynamic construct that may change over time.

In sum, a strong relationship identity is expected to generate actors' identification with the relationship and, therefore, leveraging its success. For example, the relationship identity nurtures the relationship itself assisting in sorting out possible tensions. It should be noted, however, that although over time parts of the relationship identity are expected to crystallise setting behavioural consistency, identities are fluid and evolve. This is in line with the investigation of Karamanos (2003) who identified the role of identity in the development, sharing and practice of inter-firm knowledge transfer. Our study makes a further contribution to the literature by suggesting that the notion of relationship identity represents a useful tool for the way managers foster and develop business relationships through the development of shared values, communications and effective use of imagery (*c.f.* Bhattacharya and Sen, 2003; Beech and Huxham 2003).

These conclusions have three key important implications for managers. The role of CI in the development of new relationships associated with complex procurement seems to be a steering mechanism to direct the development of appropriate inter-organisational practices and behaviours for successful relationship outcomes. Consequently, managers need to: (i) identify the features of corporate identity (e.g., mission and values, image consistency, visuals), and use these instruments to inform the development of new relationships; (ii) draw on the corporate identity of both firms in the embryonic relationship to frame and drive the emergence of the 'relationship identity'; (iii) capture the relationship identity in key communication instruments such as workflow and work-in-progress forms and use these instruments to help solve possible tensions and clashes amongst the parties guiding relational behaviours. In this way, managers can draw on corporate identity in the early stages of a new relationship and relationship identity in the later stages of a relationship to develop and guide behavioural consistency and relationship success.

This study endures the usual qualitative research limitations such as small sample size and method bias. In particular, the fact that we conducted a single case design is worthy of awareness. Nonetheless the complex nature and lack of previous studies addressing our research problem required targeting key informants and conducting an in-depth analysis of the data. Our findings shed light on the role of corporate identity in informing business-to-business relationships and suggest how the relationship identity may emerge. Such outcomes may trigger future studies on further analysing how to bridge corporate identity and business relationships. Additionally our study only addressed the 12-month period of the tendering process in a complex procurement environment. An understanding of the evolution of the relationship and its identity remains open to further inquiry. In fact, relationships are based on continuous interactions at various levels within the organisation and between individuals. Future studies should deepen the understanding of how the relationship identity cascades into the various layers of direct and indirect actors in the relationship.

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Figure 1: Proposed Framework to explore the interactions between the Relationship and the Corporate Identity